

SB 2 Purchasing Pool Topics for Discussion Papers

Market Context for Pool

- Risk for Pool given rules for outside market
 - Medium Employers (50 employers or more)
 - Large employers
- Risk Mitigation Measures

Dependant Coverage

- Where coverage mandatory (large employers)
- Where coverage voluntary (medium employers)

Cost Containment

- Types of measures possible with different sizes of Pool, different risk mixes in Pool

Benefits (including deductibles and copayments)

- Provide minimum required and/or broader coverage
- Impact of deductibles and copayment levels on employer and employee affordability (HA)
- Product offering vary by employer size?
- Product offerings with employer share that exceeds 80%
- Complexity of multiple benefit packages for pool operations
- Risk issues related to above

Rating

- Underwriting approach
 - Medium employers
 - Large employers
- Use of risk-adjustment mechanism (BC)
- Total costs including administrative costs

Pool Administrative Functions

- Marketing of Pool
 - Recruiting of employers (HA)
- Establishing fee
- Interaction of rates with EDD fee
- EDD/Administrative Vendor roles and responsibilities

Pool Financial Solvency

- Requirement to provide coverage when fee not paid
- Revenue from employer penalty for failure to pay (HA)
- Design issues resulting from requirement for pool solvency

Structure of Pool

- Number of participating plans
- Assuming multiple plans
 - Plan selection approach
 - Who chooses (employer, employee)
 - Effect of employee choice on pool operations
- Limitation to fully insured coverage
- Risk implications of above
- Open enrollment
- Plan compliance with Traditional & Safety Net provisions
- Alternate mechanisms for providing coverage

Quality Features

- Information for plan/product selector

Eligibility for Part-time/Seasonal Workers

- Impact of creating different definitions for Pool

Coordination with Public Programs

- How employee share of fee under SB 2 is tolled once employee (or dependant) found eligible for HFP or MC (MCHA and HA)
- Reimbursement of such workers (MCHA & WC)
- How to keep employee information (related to HF/MC eligibility) confidential from employers (WCLP)

Premium Assistance

- HFP
 - Determination of cost-effectiveness
- Medi-Cal
- Both
 - Prompt reimbursement (MCHA&WC)
 - Provision of equivalent benefits in PA as in the public programs(WCLP)
 - Mechanism for wrap-around coverage

BC=Blue Cross, HA=Health Access, WC=Western Center on Law and Poverty,
MCHA=Maternal Child and Health Access & the California Partnership